

# Exhibit 11

***APPENDIX II***

***EXHIBIT Z***



**MEMORANDUM**

July 5, 2001

TO: NHL GOVERNORS  
NHL ALTERNATE GOVERNORS

FROM: BILL DALY

RE: NHL INTERNET REGULATIONS

As you may recall, the current NHL Internet Regulations were delivered to all of the Clubs by Jon Litner on October 25, 2000. A copy of the Regulations, with Jon's covering memorandum, are attached for your ready reference.

Although the great majority of the Clubs have consistently complied with the letter and spirit of the Regulations since they became effective, it has come to our attention that a small number of Clubs have occasionally disregarded the Rules. Appropriate disciplinary action has been taken to deal with those situations, including the imposition of fines. The purpose of this memorandum is to insure that all Clubs have notice of procedures which will apply in the future if the League's Internet Regulations are violated.

Immediately following notification of an alleged violation, the League office will conduct a thorough, but expeditious, investigation of the circumstances. The investigation will include correspondence with the involved Club(s) and any other parties which may have relevant information. Promptly following the conclusion of the investigation, the Commissioner or his designee will determine whether a violation has occurred and, if appropriate, corrective action will be taken and/or a penalty will be imposed. Although exceptional circumstances may dictate exceptional remedies, please be advised that Clubs who are found to have violated the Internet Regulations will be fined a minimum amount of \$10,000 for their first offense. Repeat

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violations of the Regulations (regardless of whether the provision being violated is the same or different) will automatically result in fines of significantly greater amounts.

It is essential that all Clubs comply with the prescriptions of the Internet Regulations not only to ensure that the NHL online network grows and prospers consistent with the objectives approved by the Board of Governors last year, but also as a basic matter of fairness to the great majority of Clubs who comply with the rules on a regular basis. Consequently, the Regulations will be vigorously enforced by the League for the benefit of all Member Clubs.

If you should have any questions concerning this Memorandum or the Internet Regulations, please feel free to contact Keith Ritter, Scott Carmichael, or me.

cc: Gary Bettman  
Scott Carmichael  
Ed Horne  
Jon Litner  
Doug Perlman  
Keith Ritter  
Richard Zahnd  
NHL Chief Marketing Officers  
NHL Team Counsel

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#### **MEMORANDUM**

**To:** NHL Governors  
Alternate Governors  
**From:** Jon Litner  
**Date:** October 25, 2000  
**Subject:** NHL Internet Regulations

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Attached are the Internet Regulations for the operation of Club websites. Please note that the draft guidelines distributed at the August 2nd Board of Governors meeting, discussed at the League meetings in Florida (with the CMOs and other Club personnel) and reviewed with more than 20 Clubs in individual meetings, have been revised based upon the input that we have received. Although we expect that these Regulations will continue to evolve as our Internet business develops, we believe that we have balanced the competing considerations raised by the Clubs and established the basis for an effective collective approach to this increasingly important area of our business.

In anticipation of your review of the Regulations, we thought it would be helpful to address up front several of the issues raised by the Clubs and the rationale underlying some decisions reflected in the Regulations:

- As a number of Clubs expressed concern about competitive advertisers and sponsors appearing on Club sites, the Regulations now include a mechanism for each Club to protect up to two sponsors. (Paragraph 6)
- One benefit of the NHL.com frame approach (at the top of each Club page) is the clear delineation of League content from Club created and sold content. We believe this clear delineation will preserve the value that Clubs can deliver to their online partners. As a result, we have removed the long-standing rule which prohibits competitors of League sponsors from appearing on the home page of Club sites. (Paragraph 6)
- Based on the input of a number of Clubs, Club-specific fantasy, trivia and similar games will be permitted on individual Club websites. (Paragraph 3)
- Several Clubs have inquired about the use of video on their websites. While we understand that video will become an increasingly important part of doing business on the Internet, we continue to take a conservative approach to this area of the business. Given issues relating to digital rights management and control (e.g. Napster and the ability of anyone to download content), we want to ensure that we properly protect our valuable assets and interests in this area, while at the same time giving our users an entertaining Internet experience. In an attempt to strike a balance between these competing interests, we have extended the

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Clubs' rights to use highlights from 10 to 30 days and will license other Club-specific uses as the business evolves and adequate security measures are implemented.

- A number of Clubs inquired about the potential for the licensing of Club content to third parties, including Club sponsors and telecast partners. Although reciprocal links are encouraged, we have maintained the prohibition on third-party licensing to preserve League-wide opportunities and ensure compliance with contractual obligations to sponsors and telecasters. Please remember that Internet distribution is worldwide and Club rights are inherently local. (Paragraph 9)
- As for technology and infrastructure considerations, we will continue to explore network applications that will benefit the League and the Clubs. This will be an ongoing process which will take into account, among other things, economies of scale, existing team deals and local sponsorship opportunities. With the exception of the implementation of the network frame and the traffic monitoring requirements, no such deals are likely to take effect this season.

Consistent with our long-term objectives, we are in discussions with the AHL, CHL, ECHL, IHL, CHA, USA Hockey, IIHF and the Hockey Hall of Fame, among others, to incorporate their Internet presence in the NHL online network. To the extent these discussions are successful, we will enhance the experience for hockey fans worldwide and increase traffic throughout the network.

Please note that the document prescribes the dates by which all changes necessitated by the Regulations need to be implemented. Except where noted, the Regulations are effective immediately, and we ask that you distribute the Regulations to all relevant Club personnel. As adherence to these Regulations is of critical importance, Clubs that fail to comply will be subject to fines.

If you have any questions, please do not hesitate to call Scott Carmichael, Doug Perlman or me.

cc: Gary Bettman  
Scott Carmichael  
Bill Daly  
Doug Perlman

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#### **NHL INTERNET REGULATIONS**

These NHL Internet Regulations establish the framework of a 31-site network comprised of NHL.com and the websites of each Member Club, enabling the NHL to compete in this new technological environment while empowering each Club to communicate with and market directly to its fans. This structure will also provide the League and all of the Clubs the opportunity to maximize the commercial and promotional values of the Internet and to generate revenue from this emerging technology.

##### **1. Programming Responsibility.**

Each Club will be responsible for ensuring that a Club-specific website is produced and maintained in a first-class manner. The focus must be on content related to the Club, as NHL.com will serve as a hockey portal with general NHL news and features and other hockey programming. The Club can produce the site in-house, retain a third party to produce it, or have it produced by NHL ICE at cost. As new technology solutions that can serve the interests of the overall network evolve, common technology platforms and software tools will be adopted periodically for the collective benefit of the League and the Clubs. We expect these to include solutions relating to hosting, publishing, e-mail, community and customizable browsers.

##### **2. Content on the Club Sites.**

Each Club will be responsible for creating original content to serve and expand its fan base. At a minimum, each Club site must include the following team-specific elements, all of which shall be updated daily as appropriate: player rosters/bios, schedules, statistics, original content intended to preview and promote each game, practice notes, Club transactions, prospect updates, and post-game news and notes. This content must be included on each Club's site by no later than December 1, 2000. While not required, we also encourage all Clubs to include some or all of the following: regular chats with players and team personnel, webcasts of team press conferences, comprehensive historical information, and the like. Clubs may also webcast practices and other non-game team events (i.e., press conferences, skills competition) that may be open to the public. Subject to these Regulations, Clubs will have the right to offer premium textual or other non-video content on a subscription basis.

##### **3. Games.**

Clubs may offer trivia, fantasy and similar games, as long as they utilize only the Club's trademarks, logos and players and any necessary third party rights are secured. NHL.com will offer League-wide fantasy games. Video and similar games will remain exclusive League opportunities, which can be directly linked from Club websites.

**APPENDIX II****EXHIBIT Z****4. The NHL Network.**

To create a powerful and effective network, the League and each Club must draw on their respective strengths to develop complementary programming. While in the past NHL ICE has produced Club-specific content (i.e. team pages) that may have competed with Club sites, it will no longer do so. Instead; there will be a page on NHL.com that will have simple and direct links to each Club site as illustrated on Exhibit A. To unify the network, the League will program a portion of each page of each Club's site (the "NHL Area"). The NHL Area will initially consist of the portion of the page illustrated on Exhibit B which will include League-themed links, content, promotions and advertising. While it is the League's intention to control 35% of each Club's inventory, including certain run-of-site banners in addition to the NHL Area, at this point the only NHL controlled inventory will be within the NHL Area. Once we have determined the impact of this approach, we will determine if adjustments are necessary. NHL.com's frame approach utilizing the top portion of each page is the most effective way to establish and create a branded unified network. It will also ensure that all League-sold commercial elements will be physically separated and therefore clearly differentiated from the Club elements. Only a Club will be able to sell a team-specific affiliation or sponsorship, and key Club partners in pre-determined advertising categories can be "protected," as described in paragraph 6 below:

The NHL Area must be integrated into each Club site by no later than December 1, 2000. The League will work with each Club to ensure that the change is as seamless and cost effective as possible. If you need assistance with the integration of the new area, NHL ICE will be available to assist directly with the programming or help you work with a third-party provider.

**5. Traffic Reporting and Auditing.**

To properly measure traffic on the NHL network, each Club must work with its hosting provider or production partner to arrange for log files to be delivered electronically to the NHL each day. This will provide the League and Clubs with the data necessary to capitalize on the aggregated traffic and benefit fully from the network approach.

All Clubs must begin providing the required information by no later than December 1, 2000. The League's IT department will contact each Club to discuss the required format of log files and the procedure for transfer. Once this has been provided, the Club will be in a position to deliver the necessary information.

**6. Advertising and Sponsorship on Club Sites.**

Clubs can sell advertising and sponsorships on their websites. In a departure from past practice, however, advertisers and sponsors that conflict with League sponsors will now be permitted on the home page of a Club's website. Consistent with "line of sight" guidelines, no advertising or sponsorship can promote gambling, distilled spirits, tobacco, firearms,



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sex or pornographic materials. Each quarter, every Club will submit to the League a summary of all revenue derived from its website on the form attached as Exhibit C.

Prior to November 1<sup>st</sup> of this year, the NHL will provide each Club with a list of sponsorship categories. In subsequent years, the list will be provided by August 1<sup>st</sup>. Within 30 days of the distribution of the list, each Club will notify the League, in writing, of two sponsorship categories it wishes to protect. If a Club wishes to protect a category that is not listed, it can submit a proposed new category to the League and the League will determine if the category can be protected and how it will be defined. The League will then protect each Club's chosen categories by not permitting what it deems to be conflicting sponsors in those categories to appear in the NHL Area described above. For example, if a Club chooses to protect the beer and soft drink categories, any advertiser or sponsor that conflicts with the Club's sponsors in those two categories will not appear in the NHL Area.

#### 7. Use of NHL Game Footage on Club Sites (revised 10/01)

In light of the myriad issues associated with digital rights management online (including concerns about the ability of third parties to download NHL content), the League, as the repository and licensor of all game footage, is adopting a conservative approach to the use and distribution of video on the Internet. Accordingly, each Club will continue to be permitted to use footage from its own games on its website subject to the following: (i) use of footage will be limited to excerpts of no more than 30 seconds of continuous action with no more than two minutes from any single game and must not be posted until the completion of that game; (ii) the footage can be posted up until the first day of the following regular season (i.e., all game footage from the 2001-2002 season may remain on Club web sites until the start of the 2002-2003 regular season), and must be of game action only- footage may not depict any player, coach, or fan fighting or engaging in a verbal confrontation with another player, coach, fan or official, or any action in which a major or match penalty is assessed; (iii) no fee can be charged for the right to view the footage; (iv) Clubs will be permitted to post archival game footage from prior seasons subject to prior approval from NHL ICE. Requests to post archival footage should be submitted to NHL ICE on a timely basis, and NHL ICE will evaluate each request based on the nature and amount of the footage and security and digital rights management issues. As a reminder, pursuant to existing NHL rules, Clubs do not have the right to license game footage to third parties including the sites of their telecast partners. In the future, as digital rights management and the business evolve, the Rules may be modified to permit other Club-specific uses such as "plays of week" to be licensed.

#### 8. Still Cameras.

Digital still cameras may transmit images from the arena on Club websites during games so long as game images are not transmitted in a manner that will enable a single user to view an image more than once every minute.



**APPENDIX II****EXHIBIT Z****9. Licensing Club Content for Use on the Internet.**

Except as described below in this provision and paragraph 11, no Club can license its name, logo or other indicia to third parties for use on the Internet. This prohibition extends to all types of websites, including content and media sites, e-commerce sites, fan sites and the websites of Club affiliates, sponsors and licensees. For example, a Club could not grant an affiliate of the Club's owner the right to put Club-related content on its website. Similarly, a Club sponsor or licensee cannot promote its affiliation with the Club on the Internet except on that Club's site. This does not prohibit a Club from permitting a sponsor or other third party to use the Club logo, standing alone, as a link to the Club's site. Thus, a Club sponsor may use the Club logo as a link to the Club's site but may not promote its affiliation with the Club, since to do so would promote the affiliation worldwide. A Club's arena, telecast or radio partner may use Club-related content in an editorial non-commercial manner to promote the Club's games and/or telecasts.

**10. Links.**

It is the goal of the network approach to retain traffic within the NHL network. Thus, a Club's website may only include hyperlinks to third party sites that are local in nature such as the sites of local newspapers, the Club's arena or regional sports network, or city guides such as CitySearch. Club sites may also include links to the websites of Club sponsors (i.e. sponsors with a broader relationship with the Club than website advertising). If a Club does provide a link to a third party, that party must provide a reciprocal link of equal value with respect to location, size and prominence as described above.

**11. Club Television and Radio.**

There will continue to be a moratorium on the Clubs' distribution of games via the Internet as it remains our intention that any telecast or other transmission of game action should be limited to the Club's local telecast territory. However, a Club can grant its local telecaster(s) the right to interactively enhance its telecasts as long as such enhancements are contemporaneous with and directly related to a telecast of a Club's game and do not include live or delayed video. For example, during one of its telecasts a telecaster could offer statistical and biographical information on its website about the players participating in the game. Local radio telecast feeds will continue to be made available to the League for use on NHL.com and to be licensed to third party sites. Each Club will also continue to have the right, through a League authorized provider, to carry its own radio feed on its site and to authorize its own local rightsholders to do the same as long as the relevant page of the rightsholders site includes links to the Club's site.

**12. Sale of Licensed Product. (amended 11/01)**

Consistent with current practice, all sales of NHL licensed merchandise and any other sales associated with NHL or Club logos or indicia, including any auctions, will be exclu-

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sively through NHL.com. This applies to all types of products, including game worn jerseys and other "authentic" merchandise except as set forth in paragraph 13 below. Accordingly, each page of a Club site that references licensed merchandise must have a link to the League store. Per paragraph 9 above, retailers that are Club sponsors may have a presence on Club sites so long as there is no specific reference to NHL or Club merchandise. While under the current rules each Club receives 20% of the margin received from the sale of that Club's merchandise on NHL.com, the Club share will be increased to 35%. The League is in the process of developing a comprehensive reporting system for such sales. In exchange, each Club is expected to work with NHL.com to help maximize revenue from the League store. This will include efforts to better integrate the store into Club sites including the creation and operation of Club-specific boutique stores (sample mock-ups of which are attached as Exhibit D), which will be accessible via Club sites. These customized stores will be part of the main store on NHL.com, but complemented with a local look and feel consistent with individual Club sites. (Details on these matters will be addressed with appropriate Club personnel immediately.) We will also establish a process for the sale of certain Club-licensed merchandise and memorabilia. In addition, we want to capitalize on opportunities such as contextual selling. This approach is consistent with the overall framework of NHL Enterprises' consumer products business and provides an opportunity for us all to benefit from economies of scale. We are pursuing technology that would enable Clubs to sell their merchandise to fans in their local territory (and NHL.com to sell other merchandise within, and to fans outside of, the local territory) and will revisit these Regulations if and when such technology is available.

**Subject to applicable law in your respective jurisdictions and the terms and conditions of the NHL/NHLPA Collective Bargaining Agreement, Clubs may now conduct auctions, either on their own web sites or through the League's auction partner (but not through a third party) subject to the following:**

- **No items requiring authentication - e.g., game-worn or autographed merchandise or equipment ("Authentic Items") -may be auctioned;**
- **No items otherwise available through the League online store or the Club's online store may be auctioned;**
- **No "fixed price" auctions will be permitted;**
- **The League may remove or prohibit the auction of any item or service that the Commissioner or his designee deems to be inconsistent with the best interests of the League and its Clubs.**

**Notwithstanding the above, Clubs may, on a case-by-case basis as approved by the League, conduct auctions of Authentic Items provided that 100% of all net proceeds go to a specific charity or charities and such auctions are conducted through the League's auction partner under League supervision.**

**APPENDIX II****EXHIBIT Z****13. Tickets and Fan Clubs.**

Each Club is strongly encouraged to offer game tickets through its site. Subject to existing contractual obligations of the Clubs (i.e. most Clubs have a relationship with Ticketmaster either directly or through their arena), a league-wide deal may supplement and support this business with all ticket revenue retained by the Club. In addition, Clubs can provide licensed product to consumers that join a fan club on-line so long as the merchandise is a premium item and not a primary element of the fan club benefits.

**14. Contractual Matters and Terms of Service.**

All Club agreements with any provisions relating to the Internet must be filed with the League office and include the subordination language set forth in Exhibit E. In addition, to ensure that all necessary rights are properly secured, all local television and radio agreements must include language to be provided by the League which will address issues such as ownership of copyright and access to feeds. This language will be deemed to be included in all existing agreements. Also, all Club sites must include a link to NHL.com's Terms of Service policy which will address, among other things, copyright and trademark protection and a privacy policy. All relevant personnel should be aware of these policies and ensure that your sites are in compliance with them.

**15. Applicability of these Regulations.**

To the extent inconsistent, these Regulations will supercede all current NHL Internet rules and regulations. While this document focuses on the Internet, it also is intended to cover all types of existing and future interactive media including digital cable, satellite, broadband and wireless applications. These Regulations will be amended, interpreted and clarified from time to time by the Commissioner.

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National Hockey League  
Internet Regulations  
Quarterly Revenue & Traffic Report

Exhibit C

Club: \_\_\_\_\_ Quarter: \_\_\_\_\_

**Revenue****A. Gross Internet Revenues:**Total

Ad Banners, Buttons &amp; Links

Rights Fees<sup>1</sup>

Sponsorships (if different from above)

Subscriptions

Gross Barter<sup>2</sup>Other<sup>3</sup>**Subtotal****B. Online Ticket Sales:**

Gross Online Tickets Sales

Less:

Website Commissions

Third Party Commissions

**Subtotal****TOTAL GROSS INTERNET REVENUES****Supplemental Information****A. Traffic**Daily AverageMonthly Average

Website's page views

Website's visits

Website's unique visits

**B. Other**

Website's average CPM

Banner ads served per month?

Banners/buttons per page?

Provide a listing of significant rights fees paid by developers or outside providers, and summary of arrangements including amounts and term.

Gross Barter should include the fair market value of any goods and services obtained in lieu of cash payments.

List amounts and type of revenue included.

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#### **SUBORDINATION LANGUAGE**

This agreement, in all respects, shall be subject and subordinate to: (i) the NHL Constitution; (ii) the NHL By-Laws; (iii) all other rules, regulations, interpretations, procedures, policies and resolutions of the NHL; (iv) any agreement entered into by the NHL or its affiliates, all as the same may now exist or hereafter be amended or enacted and/or as they may be interpreted by the Commissioner.